MH05D6480

DRAFT

Managed Care And Ethnic Minorities
Working Group to Develop an Evaluation Agenda

Sponsored by:
Division of Program Development and Special Populations
Center for Mental Health Services
Substance Abuse and Mental Health Services Administration
U.S. Department of Health and Human Services

June 12-13, 1996
Washington, DC

Acknowledgments

The Division of Program Development and Special Populations of the Center for Mental Health Services gratefully acknowledges the many individuals whose hard work and expertise contributed to the preparation of this document. Meeting participants--including representatives of federal agencies, minority mental health programs and consumer advocacy groups, professional organizations, and managed care companies--asked thoughtful questions, raised significant substantive issues, and made important recommendations about the mental healthcare needs of ethnic minorities and how to measure success with this group. Group member Lonnie Snowden, Ph.D., made a presentation on the impact of managed care on ethnic minorities, and King Davis, Ph.D., facilitated the working sessions and distilled and synthesized the group's suggestions. Susan Milstrey Wells drafted the proceedings and made subsequent revisions.

Table of Contents

Executive Summary

Mental illnesses in the United States are widespread, disabling, and often untreated, especially for ethnic minorities. Traditionally, minority persons have faced financial and sociocultural barriers to the use of mental health services. The impact of managed care on access, quality, and cost of mental health services for ethnic minorities is largely unstudied.

On June 12-13, 1996, the Center for Mental Health Services' (CMHS) Division of Program Development and Special Populations convened a Working Group on Managed Care and Ethnic Minorities in Washington, DC. Working group members represented federal agencies, minority mental health programs and consumer advocacy groups, professional organizations, and managed care companies. The group was charged with developing an evaluation agenda to help policy makers and program planners improve mental health and substance abuse services to African Americans, Asian/Pacific Islanders, Latinos, and Native Americans.

Promoting Appropriate Values for Ethnic Minorities

Managed care organizations have an inducement to provide comprehensive, cost-effective, community-based care for people with mental illnesses and substance use disorders. However, the same financial incentives that prompt providers to be efficient may lead to underservice or inappropriate services for clients whose needs extend beyond "medically necessary" care. Focusing on a set of values that promotes the success of ethnic minorities, as outlined below, will help maximize the benefits of managed care for these individuals, working group members agreed.

- *Create comprehensive, integrated services* to help ethnic minorities negotiate fragmented systems of care.
- *Empower consumers to make choices* about the treatment approaches with which they feel most comfortable.
- *Preserve the safety net* in the public mental health system for those individuals who are too poor or too sick to be cared for in the private sector.
- *Broaden medical necessity criteria* to include some level of ancillary services–such as housing, entitlements, employment, transportation, and translation services–for all clients, including ethnic minorities.
- *Define cultural competence goals and standards* to govern system design, staff training, service delivery, and research and evaluation.

- *Develop ethnic-sensitive outcome measures* that will serve as reliable indicators of success with ethnic minorities.

- *Generate true measures of cost-effectiveness* that consider the cost--to the individual and to the service system-- of *not* providing treatment or of offering inappropriate services.

Evaluating Managed Care for Ethnic Minorities

Managed care organizations must have sufficient resources, trained staff, appropriate clinical standards, and population-specific services designed to promote successful outcomes for minority clients. To determine whether these structures and services are in place, working group members developed the following broad evaluation areas that amplify the values outlined above.

- *Information Systems.* Evaluation questions address demographic and service utilization data, data collection methodology, and frequency of data collection.

- *Economics and Finance.* Evaluation questions address benefit design, risk adjustment strategies, mental health treatment costs, and cost-effectiveness.

- *System Structure.* Evaluation questions address the impact of service system design on ethnic minorities, cultural competence in requests for proposals and contracts, ethnic differences in mental health treatment use and provider type, and identification and correction of system barriers.

- *Human Resources.* Evaluation questions address recruitment strategies, professional standards and credentials, and staff training.

- *Clinical Quality/Standards of Care.* Evaluation questions address culturally competent assessment, diagnosis, treatment, and outcomes; practice guidelines related to cultural competence; and provider and agency knowledge about diverse cultures.

- *Service Design.* Evaluation questions address biological, psychological, social, and spiritual integration; a range of services that extends beyond medically necessary care; population-specific treatment approaches; and outreach to at-risk and underserved groups.

- *Regulations.* Evaluation questions address regulations that encourage flexibility in system design and service delivery, compliance with

contractual agreements performance standards for service delivery, and sanctions that promote system improvement.

- *Community Norms*. Evaluation questions address knowledge of community mores, community needs analysis, and feedback from community stakeholders.

- *Consumers/Caregivers*. Evaluation questions address consumer empowerment, meaningful roles for consumers and caregivers, and consumer satisfaction.

- *Access*. Evaluation questions address accessibility, availability, affordability, and appropriateness; consumer choice; outreach and engagement; and nontraditional services.

Taking the Next Step

To ensure that the needs of ethnic minorities are met in a managed care environment, the key stakeholders in the system--including consumers, providers, managed care organizations, and purchasers--must work together. Members of the Working Group on Managed Care and Ethnic Minorities made the following recommendations for continued efforts on behalf of ethnic minorities.

- *Promote collaboration* among federal agencies, professional and consumer groups, and managed care organizations.

- *Encourage follow-up* at the federal, state, and local levels.

- *Adopt a market strategy* by educating managed care organizations about the cost-effectiveness of services for ethnic minorities.

- *Convene a regional or national conference* to examine the impact of managed care on ethnic minorities.

- *Continue the dialogue* to keep the needs of ethnic minorities in the forefront of discussions about managed care.

With adequate resources to support culturally appropriate services and trained staff, managed care organizations *can* promote successful outcomes for minority clients with mental illnesses and substance use disorders, working group members agreed. The cost of not providing appropriate treatment--both in dollars and in human lives--is too great for the needs of ethnic minorities to be ignored.

Introduction

The nation's healthcare system is evolving rapidly. Changes in the way mental health services are financed and delivered affect all people with serious mental illnesses, particularly those who are members of racial and ethnic minority groups. Traditionally, minority persons have faced financial and sociocultural barriers to the use of mental health services. The impact of managed care on access, quality, and cost of mental health services for ethnic minorities is largely unstudied.

On June 12-13, 1996, the Center for Mental Health Services' (CMHS) Division of Program Development and Special Populations convened a Working Group on Managed Care and Ethnic Minorities in Washington, DC. Working group members represented federal agencies, minority mental health programs and consumer advocacy groups, professional organizations, and managed care companies.

"As the shift to managed care occurs, there is enormous opportunity for confusion and uncertainty, especially in the area of providing culturally competent mental health services for ethnic minorities," CMHS Director Bernard S. Arons, M.D., told the assembled group. However, he added, there is also a great opportunity "to make the vision of a culturally competent system of care a reality in the lives of all people with mental illnesses." In particular, managed care organizations have an incentive to provide appropriate care for minority clients in order to ensure successful, cost-effective outcomes.

To achieve the goal of a culturally competent system of care, Dr. Arons noted, it is important to ask the right questions. He charged the working group with (1) reviewing the implications of the movement toward managed care for racial and ethnic minorities who have mental illnesses and (2) developing an evaluation agenda to help policy makers and program planners improve mental health and substance abuse services to African Americans, Asian/Pacific Islanders, Latinos, and Native Americans.

Developing an Evaluation Agenda

The summary that follows represents a distillation of this important two-day meeting. The group began its deliberations by discussing basic principles of managed care and the differential impact that changes in health care financing and delivery have on ethnic minorities. Working group members agreed strongly that a set of basic values--including consumer empowerment, cultural competence, and appropriate outcomes for people of color--are critical to making managed care work for ethnic minorities.

The group went on to identify major areas of concern for ethnic minorities in a managed mental healthcare system, such as access, clinical quality, economics and finance, and service design. Meeting participants met in smaller subgroups to develop specific evaluation questions for each area of concern; the questions are designed to help key stakeholders--including consumers, providers, managed care organizations, and purchasers--determine whether the needs of ethnic minorities will be addressed in a managed care system. Working group members also made recommendations for future work in this critical area.

Examining the Larger Picture

The Working Group on Managed Care and Ethnic Minorities is part of a larger managed care initiative launched by CMHS' parent agency, the Substance Abuse and Mental Health Services Administration (SAMHSA). SAMHSA's efforts are designed to improve access, quality, and outcomes for people with mental illnesses and substance use disorders in a managed care environment. Because the health and mental health, social welfare, and cultural needs of ethnic minorities may be difficult to address in a system that is focused on "the bottom line," it will be crucial to keep the needs of this vulnerable group at the forefront of the dialogue about mental health and managed care. Particular concerns for ethnic minorities in a managed care system are discussed in the next section.

The Impact of Managed Care on Ethnic Minorities

Mental illnesses in the United States are widespread, disabling, and often untreated, especially for ethnic minorities. Minority individuals are disproportionately found among groups with high rates of mental health problems, including people who are homeless, poor, in mental hospitals, and in jails. However, their use of mental health services often is restricted both by poverty and by sociocultural factors. In particular, ethnic minority communities have distinct cultural beliefs and practices that affect how individuals define and express a mental health problem, whom they seek for help, and what treatment strategies they prefer.

The public mental health sector has developed a range of expertise and a high degree of responsiveness in addressing the needs of ethnic minorities. Specialized programs run by and for various minority groups have been developed. As public systems increasingly contract with private managed care organizations for mental health and substance abuse services, concern grows about the ability of these agencies to care for minority clients with multiple and complex needs.

In light of their vulnerability to mental health disorders and their difficulties in gaining access to appropriate care, the needs of ethnic minorities in a managed care system must be addressed. To understand the impact of managed care on mental health services for ethnic minorities, meeting participants first examined the differences between managed care and the fee-for-service system. Working group member Lonnie R. Snowden, Ph.D., outlined the features of managed care and capitation financing.

The Shift to Managed Care and Capitation Financing

Managed care is distinguished from the traditional fee-for-service healthcare system in a number of ways, Dr. Snowden noted. They include the following:

- *Provider networks* that restrict patients to a group of providers that are employed by, or contract with, the managed care organization.
- *A designated service population and range of responsibility* that delineates who is eligible for services and what type of services they may receive.
- *Oversight, gatekeeping, and coordination of care* through primary care physicians and/or case managers to control allocation of resources.
- *Restrictions through utilization review* that may occur either before or after service delivery.

- *Incentives to reduce costs* through salaries, bonuses, and capitation financing.

- *An orientation toward cost-effectiveness* that seeks to maximize client outcomes.

Proponents believe that managed care, done well, has the potential to integrate fragmented services and promote the development of cost-effective, community-based alternatives for people with mental illnesses and substance use disorders. Critics, however, worry that the drive to save money will result in a reduction of necessary services or the substitution of inappropriate care. They also fear that limiting an individual's choice of providers and imposing rules on their use of services may restrict access for people with chronic conditions and special needs, including ethnic minorities with mental illnesses.

To reduce costs and improve the quality of services, many managed care entities rely on capitation, a financing method that increasingly has come to replace fee-for-service arrangements. Capitation financing includes the following features:

- *Payment by the client*, not the procedure. Payment may be full or partial for selected clients, problems, funding sources, and procedures. Managed care systems may include a mixture of capitated and noncapitated clients and services.

- *Financial risk* for the managed care organization or provider network for services that exceed the fixed, agreed-upon, capitated rate.

- *Efficiency through substitution* of less costly but equally effective care.

In a fee-for-service system, the more services a provider offered, the more money he or she received. Capitation's promise lies in its ability to reverse this incentive, thereby promoting the development of more cost-effective, appropriate care. However, capitation also has drawbacks.

In particular, capitation may cause problems for smaller providers, who have fewer clients among whom the financial risk can be shared. They may seek clients who are easier to serve. In addition, those providers that do serve high-risk, potentially expensive clients may be unable to offer needed care within the capitated rate. They may skimp on services, try to discharge individuals whose needs are more complex, or be forced out of business. Conversely, when capitation rates are set too high, providers have little incentive to be efficient.

Concerns for Ethnic Minorities

Dr. Snowden outlined several ways in which managed care and capitation might adversely impact ethnic minorities. While managed care organizations provide needed oversight and coordination, the increasing level of bureaucracy robs administrators and providers of flexibility. This impersonal and highly structured approach may be a deterrent for minority clients who are more comfortable with face-to-face interaction.

In addition, ethnic minorities are less likely to have health insurance and, therefore, less likely to have access to private-sector mental health services. Also, even when cost is not a barrier, many minority individuals feel more comfortable within the public system, where culturally sensitive programs and providers may be available. Private managed care organizations who contract to care for public clients will displace ethnic minorities from the public-sector programs and providers with whom they have ongoing relationships. Further, the private sector may have little to offer these new clients.

Many ethnic minorities have ended up in the public mental healthcare sector because it has functioned as the system of last resort for people who are too poor or too sick to be covered by private insurance. As public programs increasingly become privatized, many fear that the responsibility and cost of care for these individuals will shift to families and to other systems, most notably the criminal justice system. Critics of managed care are particularly concerned about minority children who are overrepresented in public programs, including juvenile justice and special education.

The fate of specialized programs that have been developed to provide mental health services to ethnic minorities also is in doubt in a managed care environment. While public sector programs have the capacity to provide culturally competent care to ethnic minorities, many cannot exist on their own in a managed care system. They may choose to contract with private managed care organizations to provide services for minority clients, collaborate with other minority providers to offer a full range of services, or merge with existing full-service agencies. Managed care organizations must decide whether to take advantage of existing expertise or to train their own staff to provide culturally competent care.

Finally, managed care organizations focus on offering quality care and producing cost-effective outcomes. While theoretically this will benefit all clients, ethnic minorities may be ill-served if the standards of care and outcome indicators do not reflect their differential needs and response to treatments.

Promoting Appropriate Values

In spirited and thoughtful discussions, members of the Working Group on Managed Care and Ethnic Minorities expressed a strong belief in the need to promote a set of underlying values

that are critical to the success of managed care for ethnic minorities. Without this values base, they believe, the legitimate needs of ethnic minorities will be overlooked or discounted.

Many of the values the group espoused are common to all people with mental illnesses and substance use disorders. In fact, at least one meeting participant expressed concern that by singling out ethnic minorities as a group with special needs, advocates run the risk of making minority groups seem to be more costly and difficult to serve than they may be. Working group members agreed that payers and providers must focus on the common needs of all people with serious mental illnesses, as well as on the unique service requirements of ethnic minorities. The ultimate goal of this effort is to provide culturally competent care that ensures successful outcomes for all individuals. The principles outlined below are essential to this undertaking.

Create comprehensive, integrated services. People with mental illnesses have trouble negotiating a fragmented system of care. This is particularly true for minority individuals whose language and cultural traditions may differ from those of the individuals and systems that provide help. To the extent that managed care systems integrate health, mental health, and social services in a culturally competent manner, they will benefit minority individuals who present with a wide range of needs. There is some concern that clients who receive care in mental health "carve-out" companies may have difficulty integrating mental health, primary health, and substance abuse services.

Empower consumers to make choices. Mental health consumers who are empowered to make informed choices are more likely to be successful in completing treatment and maintaining stability. Managed care typically limits an individual's choice of providers and treatments; this may be especially problematic for minority clients who respond best to flexible, individualized services. To the degree possible, the ability of consumers to choose those services with which they feel most comfortable must be preserved in a managed care environment.

Preserve the safety net. Meeting participants agreed that it is likely the public mental health system will need to preserve a safety net for those clients who are too poor or too sick to be cared for in the private sector. However, they also noted that contracts with managed care organizations need to be written in such a way that costly and difficult clients are not simply "dumped" back on the public system when their care becomes inconvenient. Shifting between systems will disrupt the continuity of care that is crucial for a client's recovery.

Broaden medical necessity criteria. Working group members debated the impact that so-called "medical necessity" criteria have on ethnic minorities with mental illnesses. Clearly, such individuals' needs may extend beyond mental health and substance abuse treatment to include housing, entitlements, employment, transportation, and translation services. However, at least one participant expressed concern that requiring managed care organizations to encumber the funds to provide a full range of social services may make minority clients less desirable to serve. Instead, he maintained, treatment criteria should be expanded to include *some level of ancillary services for all clients*, including ethnic minorities.

Define cultural competence goals and standards. Culture is more than ethnicity, and cultural competence is more than the ability to speak a second language, working group members agreed. When developing a treatment plan, culturally competent providers take into account a person's ethnicity, race, language, age, gender, socioeconomic status, education, sexual orientation, religion, and spiritual beliefs. Rather than relying on stereotypes about racial and ethnic groups, they question their assumptions by asking clients what *they* need. Culturally competent organizations identify goals, strategies, and standards at all levels of operation--from policy and planning to service delivery, human resource development and management, and research and evaluation. Some states, such as California, have developed statewide cultural competency standards for mental health services.

Develop ethnic-sensitive outcome measures. To a large extent, measuring success depends on how success is defined. To serve as reliable indicators of both a patient's progress and a provider's competence, outcome measures must be specific to the group of individuals being served. This is particularly true for ethnic minorities, whose cultural traditions may dictate the type of treatment approaches that will be most effective. Both a program and the clients it serves may appear to be "failing" if the outcome measures relate to a group with different treatment needs.

Generate true measures of cost-effectiveness. Though working groups members acknowledged that providing services to ethnic minorities with mental illnesses may be more costly in the short-run, they noted that true cost-effectiveness must take into account the cost of *not* providing services--both to the individual and to the larger service system. In addition, the initial expense of providing specialized treatment, such as acupuncture or sweat lodges, must be weighed against the long-term costs of providing inappropriate care. Treatment that does not match clients' cultural beliefs and expectations may result in the need for extended care or hospitalization.

Summary

Managed mental healthcare offers tremendous potential and serious risk for ethnic minorities. Managed care organizations have an inducement to provide comprehensive, cost-effective, community-based care for people with mental illnesses and substance use disorders. However, the same financial incentives that prompt providers to be efficient may lead to underservice or inappropriate services if an organization risks losing money on high-cost care. Focusing on a set of values that promotes the success of ethnic minorities--including integrated services, consumer empowerment, cultural competence, and appropriate outcomes--will help maximize the benefits of managed care for these individuals. Broad evaluation topics and specific questions that amplify these values are outlined in the next section.

Evaluating Managed Mental Healthcare for Ethnic Minorities

Any evaluation of a managed care system will only be as good as the questions that are asked. To develop an evaluation agenda that will highlight the impact of managed care on ethnic minorities, working group members first defined those key areas that must be assessed. The following 10 evaluation areas represent the group's consensus on the components of a managed care system that must be examined from the perspective of ethnic minority clients (see Table 1). Each area is followed by a set of specific evaluation questions that can be used by key stakeholders to determine how well a managed care entity addresses the specific needs of ethnic minorities.

Information Systems

Meeting participants agreed that an effective evaluation begins with good data. Such data should be useful to a wide range of key stakeholders and appropriate for conducting a longitudinal, comprehensive assessment. The evaluators who collect such data, and the instruments they use, must be culturally appropriate, including the use of oral questions for those clients who would be unable or unwilling to complete a written form. Responsibility for collecting and analyzing data may be shared by local, state, and federal officials.

The questions that follow are designed to determine whether an organization adequately assesses the characteristics of the clients it serves. Further questions related to agency capabilities are included in other areas of concern, such as system structure and service design.

1. *Does the minimum data set including the following elements?*
   Race/ethnicity
   (with appropriate subgroups in each of the following categories):
   - African American
   - Asian Pacific
   - Latino
   - Native American
   - Other
   - Self-identification

   Demographics
   (standard information)
   - Age
   - Sex
   - Income
   - Education
   - Marital Status

TABLE 1

Key Evaluation Areas for Ethnic Minorities in Managed Care

Evaluation Area	Topics Addressed
Information Systems	Demographic and service utilization data Data collection methodology Frequency of data collection
Economics and Finance	Benefit design Risk adjustment strategies Mental health treatment costs Cost-effectiveness
System Structure	The impact of service system design on ethnic minorities Cultural competence in requests for proposals and contracts Ethnic differences in mental health treatment use and provider type Identification and correction of system barriers
Human Resources	Recruitment strategies Professional standards and credentials Staff training
Clinical Quality/ Standards of Care	Culturally competent assessment, diagnosis, treatment, and outcomes Practice guidelines related to cultural competence Provider and agency knowledge about diverse cultures
Service Design	Biological, psychological, social, and spiritual integration Range of services that extends beyond "medically necessary" care Population-specific treatment approaches Outreach to at-risk and underserved groups
Regulations	Regulations that encourage flexibility in system design and service delivery Compliance with contractual agreements Performance standards for service delivery Sanctions that promote system improvement
Community Norms	Knowledge of community mores Community needs analysis Feedback from community stakeholders
Consumers/Caregivers	Consumer empowerment Meaningful roles for consumers and caregivers Consumer satisfaction
Access	Accessibility, availability, affordability, and appropriateness Consumer choice Outreach and engagement Nontraditional services

(additional data that may have special relevance for ethnic minority clients)

- Health insurance
- Zip code
- Household size
- Religion

Type of service (in the greatest possible detail)
Functional status
Symptoms
Diagnosis (based on the DSM IV)

2. *Is the latest technology used to collect the data?*

3. *Is the data collected frequently (at each encounter, if possible)?*

Economics and Finance

A managed care organization must have sufficient resources, including adequate capitation rates, to provide an appropriate level of services for all clients. To promote access and quality care for ethnic minorities, patient benefits, provider incentives, and risk adjustment strategies should be designed to account for the differential treatment needs of minority clients. Questions about access for uninsured individuals also must be addressed.

Further, stakeholders will want to know the extent to which a managed care organization may shift costs, and therefore care, to other agencies and systems. The questions that follow are separated into those that concern benefit design and those that relate to costs.

Benefit design

1. *Are rates established, and risk adjustment strategies developed, to promote access by ethnic minorities?*

2. *Are there differences in the way ethnic minorities respond to copayments and caps on services?*

3. *Do financial bonuses and penalties for providers have a differential impact on ethnic minorities?*

4. *Are alternative, community-based services available for ethnic minorities?*

Costs

1. *Are mental health treatment costs different based on race and ethnicity?*

2. *To what extent are mental health treatment costs for ethnic minorities shifted to families and other systems (e.g., the criminal justice system)?*

3. *To what extent are differences based on race and ethnicity factored into the cost-effectiveness of various treatment options?*

System Structure

A comprehensive, integrated service system benefits all people with serious mental illnesses. Ethnic minority clients, in particular, face a number of personal and systemic barriers to appropriate mental health treatment. Attention to individuals who are *not* in the system is critical, though many fear that managed care organizations are unlikely to conduct outreach to ethnic minorities.

The cultural competence of agencies and provider networks, and the ability of minority consumers to make informed choices, are key components of system design. Knowledge of system structure and its impact on ethnic minorities is especially important for public payers who are contracting with private managed care organizations. Specific evaluation questions follow.

1. *What is the focus of service system design, and how does this impact minority populations?*

2. *What criteria are used to account for minority issues/population diversity in requests for proposals, service contracts, and program design?*

3. *What structures are in place (e.g., assertive community treatment teams) to ensure that individuals who are difficult to reach receive culturally competent services?*

4. *Is there a difference between minority and majority clients in the degree to which they receive mental health and substance abuse services?*

5. *To what extent are minority clients more likely to receive mental health and substance abuse services from a primary care provider?*

6. *Is there a disproportionate number of minorities with mental health and substance use disorders in the criminal justice system?*

7. *Are system barriers faced by ethnic minorities identified and corrected?*

8. *What mechanisms are used to ensure continuity of policy, rules, and services across programs and systems that affect ethnic minorities, especially in a behavioral "carve-out" system?*

9. *Are population-specific indicators of health status, risk, and effectiveness used to design the system, deliver services, and evaluate outcomes?*

10. *Does the system have a mental healthcare report card that includes, at a minimum, measures of access, services utilization, and satisfaction?*

Human Resources

The development and management of human resources are critical to the successful integration of ethnic minorities in a managed care system. Ideally, providers should represent the ethnic groups they serve and have the knowledge, training, and personal competence to work with people from diverse cultures. In addition, all staff must understand the rules and regulations of managed care.

Many public mental health programs for ethnic minorities employ recovering individuals and minority providers who have the skills needed to work with minority clients, but who may not have the credentials required by managed care organizations. Their expertise is vital, and their contributions must be preserved, meeting participants agreed. Specific evaluation questions are noted below.

1. *What recruitment strategies are used to attract skilled minority providers?*

2. *Does the system have minimum standards of culturally competent practice?*

3. *To what extent do systems offer staff training to provide culturally competent care?*

4. *What is the impact of managed care credentials on ethnic minority providers and services?*

5. *What criteria are used to evaluate the effectiveness of services, processes, and models that staff employ with ethnic minorities?*

Clinical Quality/Standards of Care

Mental health treatment for ethnic minorities must be guided by a set of best practices designed to ensure optimal treatment outcomes, working group members noted. Several professional organizations--including the American Psychological Association, the American Psychiatric Association, and the Association for Multicultural Counseling and Development--have published clinical practice guidelines for working with ethnic minorities to ensure that providers recognize cultural diversity, address their own cultural assumptions and expectations, and understand the impact that culture has on assessment, diagnosis, and treatment. Specific evaluation questions are listed below.

1. *How do you assess a provider's knowledge about cultural competence in relation to assessment, diagnosis, treatment planning, and outcome measurement?*

2. *How do providers assess clients' cultural needs?*

3. *Are both pathology and culture considered in making a diagnosis?*

3. *Are there opportunities to vary standard protocols to reflect differences in race and ethnicity?*

5. *Are practice guidelines in place to ensure culturally competent care?*

6. *Is cultural identity considered to include ethnicity, race, language, age, gender, class, education, sexual orientation, religion, and spiritual beliefs?*

7. *How do you assess the agency's knowledge about cultural competence?*

Service Design

Typically, people with serious mental illnesses require a range of treatment options that emphasize recovery, rehabilitation, and choice and are designed to remove barriers to treatment. For ethnic minorities, these options may include culturally specific approaches, such as the active involvement of family members in their treatment plan or the use of alternative healers. The ability of clients to access services beyond those that are medically necessary, such as housing, entitlements, and vocational rehabilitation, may be critical to their long-term stability. Specific evaluation questions are spelled out below.

1. *How does the service design (i.e., horizontal/vertical integration) complement good clinical practice related to cultural competence?*

2. *Do practitioners have the resources and support to provide culturally competent services?*

3. *Do services extend beyond medically necessary care for all clients, including ethnic minorities?*

4. *Is the benefit adequate (in money and services) to integrate biological, psychological, social, and spiritual aspects of treatment for minority adults with serious mental illnesses and children and adolescents with serious emotional disturbances?*

5. *Is the benefit adequate (in money and services) to provide an appropriate range of social services for minority adults with serious mental illnesses and children and adolescents with serious emotional disturbances?*

6. *Are population-specific treatment approaches part of the service design (e.g., acupuncture, sweat lodges, corandero, etc.)?*

7. *What services are in place (e.g., mobile outreach) to ensure that individuals who are difficult to reach receive culturally competent services?*

Regulations

Regulations govern system and provider performance in relation to contractual agreements and service delivery structures, processes, and outcomes. Ideally, an independent, oversight group that includes key stakeholders should be responsible for monitoring compliance with policies and procedures, meeting participants noted. Policies that govern system performance should be designed to protect public safety, encourage flexibility in system design and service delivery, and promote ongoing quality improvement efforts. Grievance procedures and appeals mechanisms must be accessible to ethnic minorities. Specific evaluation questions follow.

1. *Are regulations designed to protect and benefit the public at large?*

2. *Are regulations designed to encourage flexibility in system design and service delivery?*

3. *Do regulations enforce compliance with contractual agreements?*

4. *Do regulations address performance standards for service delivery structures, processes, and outcomes?*

5. *Do regulations involve the exercise of sanctions?*

6. *Do sanctions encourage program developers to modify and improve services for all clients, including ethnic minorities?*

7. *Is arbitration available as a mechanism to promote system improvement?*

Community Norms

Mental health treatment is delivered in the context of an individual's community--both the literal neighborhood in which he or she resides and the cultural norms that guide his or her physical, psychological, social, and spiritual development. Events and circumstances that affect a community, such as a natural disaster or large-scale unemployment, will have an impact on individuals' mental and physical health. To serve ethnic minorities successfully, managed care organizations must understand the subtle interaction between individual beliefs and community mores and recognize the ways in which the community can lend support to an individual's recovery. Specific evaluation questions are noted below.

1. *Can you identify a distinct community to which your clients belong?*

2. *On what basis is this identification made?*

3. *What information is collected? From what sources?*

4. *What mechanisms are used to analyze community needs? How recent and valid is this information?*

5. *What conclusions were drawn from a consideration of this data to support program development?*

6. *How confident are you in these conclusions, and can you justify your level of confidence?*

7. *To what extent did you consider particular events and circumstances in the environment (e.g., natural disaster or unemployment) that may affect the need for services?*

8. *What provisions have been made to elicit, document, and validate feedback from community stakeholders to guide and monitor changing community needs?*

Consumers/Caregivers

Mental health consumers want "rights, representation, responsibility, and respect," one working group member noted. To ensure consumer satisfaction with mental health treatment, managed care organizations must be knowledgeable about and prepared to address the specific needs of their clients, including ethnic minorities. At the same time, minority clients must be empowered to make informed choices about their treatment and to learn self-help techniques that will enable them to manage their symptoms and live independently in their communities.

Further, consumers and their caregivers--broadly defined as family, friends, and community members who support consumers in their recovery--must have a meaningful role in system design, service delivery, and research and evaluation. Specific evaluation questions are listed below.

1. *Are system design, service delivery, and evaluation approaches designed to meet consumer needs? What type of data are collected to support this?*

2. *Are data about consumer needs used to develop materials for patient information and outreach?*

3. *Do consumers have a meaningful role in planning the design of services? Who is considered to be a consumer? What constitutes meaningful participation?*

4. *Do healthcare benefits include available and accessible collateral services, including self-help programs?*

5. *Are consumers encouraged to participate in self-help activities?*

6. *Are consumer satisfaction data collected? Is such information used to improve service delivery?*

Access

Mental health services for ethnic minorities must be accessible, available, affordable, and appropriate. Accessibility encompasses such notions as physical proximity, cultural relevance, and choice of services. Many minority individuals may not be involved in the service system because they have had previous negative experiences with mental health treatment or because they are unable or unwilling to access services due to language and cultural barriers. Reaching these individuals through such techniques as mobile outreach is key to serving ethnic minority communities. Specific evaluation questions follow.

1. *What criteria do you use to evaluate access?*

2. *Are access criteria evaluated differently for different consumer groups, based on such factors as geography, race, age, sex, and ethnicity?*

3. *Do you have population-specific services that extend beyond traditional settings?*

4. *Why are at-risk groups not using services? What attempts are made to reach them (e.g., mobile outreach)?*

5. *To what extent do you offer choices in services and/or providers designed to engage ethnic minorities? How do you reconcile the consumer's need for choice with managed care mandates that may restrict choice?*

6. *Are community resources available for populations underserved due to language and/or other special needs?*

Summary

The needs of ethnic minorities with mental illnesses must be considered at all levels of service system design and operation. Managed care organizations must have sufficient resources, trained staff, appropriate clinical standards, and population-specific services designed to promote successful outcomes for minority clients.

Outcome data collected by managed care entities and key stakeholders can be used to make needed changes in policies and procedures and to promote system improvements that benefit all people with serious mental illnesses, including minority clients. Recommendations for the next steps in this important process are outlined in the final section.

Recommendations for Next Steps

Members of the Working Group on Managed Care and Ethnic Minorities recognized that their task was too large, and too important, to be confined to a two-day meeting. They made the following recommendations for continued efforts on behalf of ethnic minorities.

- *Promote collaboration.* Meeting participants acknowledged that it is vital for key stakeholders to work together. In particular, they suggested collaboration between (1) federal agencies working on issues of managed care; (2) federal agencies and professional and consumer groups, such as the American Psychiatric Association, the American Psychological Association, the American Managed Behavioral Healthcare Association, and the American Association of People of Color Mental Health Consumers; (3) key stakeholders and payers, including Medicaid, mental health, and substance abuse directors; and (4) the public and private sectors.

- *Encourage follow-up.* Working group members recommended that CMHS provide necessary follow-up, including publicizing their findings at relevant meetings and incorporating the evaluation agenda they developed into ongoing discussions of managed care for people with mental illnesses at the federal, state, and local levels.

- *Adopt a market strategy.* Several meeting participants noted that ethnic minorities represent a growing and potentially valuable market for managed care organizations. They suggested that advocates adopt a proactive stance by educating managed care organizations about the cost-effectiveness of providing appropriate mental health and substance abuse services to ethnic minorities.

- *Convene a regional or national conference.* Members of the working group felt strongly that the impact of managed care on ethnic minorities is a large enough, and important enough, topic to warrant a regional or national meeting. They suggested the meeting be sponsored by SAMHSA in collaboration with professional and consumer groups.

- *Continue the dialogue.* Finally, working group members called upon each other and their colleagues to keep the needs of ethnic minorities in the forefront of the dialogue about managed care. Such attention will ensure that consumers, providers, managed care organizations, and purchasers work together to promote successful outcomes for ethnic minorities.

Conclusion

Changes in the financing and delivery of mental health services have a significant impact on ethnic minorities. Greater coordination of care and incentives to provide cost-effective, community-based alternatives may benefit all people with serious mental illnesses. However, the drive to save costs may prompt managed care organizations to skimp on specialized services that address the treatment needs of minority clients. In addition, financial and sociocultural barriers may be exacerbated for ethnic minorities with few resources who are too overwhelmed by new rules and regulations to seek help.

To ensure that the needs of ethnic minorities are met in a managed care environment, the key stakeholders in the system--including consumers, providers, managed care organizations, and purchasers--must work together to develop an evaluation agenda that addresses the full range of system design and service delivery issues. With adequate resources to support culturally appropriate services and trained staff, managed care organizations *can* promote successful outcomes for minority clients with mental illnesses and substance use disorders. The cost of not providing appropriate treatment--both in dollars and in human lives--is too great for the needs of ethnic minorities to be ignored.